

VAN'S KIDDIE CARE CORPORATION

Iberia, Louisiana

FINANCIAL REPORT

SEPTEMBER 30, 2013

Roslyn J. Johnson, LLC
Certified Public Accountant

VAN'S KIDDIE CARE CORPORATION
New Iberia, Louisiana

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VAN'S KIDDIE CARE CORPORATION
New Iberia, Louisiana

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Independent Auditor's Report

Board of Directors
Van's Kiddie Care Corporation
New Iberia, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of **Van's Kiddie Care Corporation (the Organization)** (a nonprofit organization), which comprise the statement of financial position as of September 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted by the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Van's Kiddie Care Corporation** as of September 30, 2013, and the changes in its net assets and its cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the other required schedules on pages 22 through 26 as required by the Louisiana Department of Education, are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with Governmental Auditing Standards, I have also issued my report dated March 28, 2014, on my consideration of **the Organization's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **the Organization's** internal control over financial reporting and compliance.



Roslyn J. Johnson, LLC
Baton Rouge, Louisiana
March 28, 2014

VAN'S KIDDIE CARE CORPORATION

Statement of Financial Position

September 30, 2013

ASSETS

Current Assets

Cash (note 2)	\$ 143,532.50
Reimbursements receivable (note 3)	378,939.28
Accounts receivable	52.70
Other assets	900.00
Total current assets	<u>523,424.48</u>

Equipment, net (note 4)	<u>86,595.63</u>
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TOTAL ASSETS	<u><u>\$ 610,020.11</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Bank Overdraft (note 5)	\$ 12,396.25
Accounts payable - trade	9,309.62
Due to providers (note 6)	326,979.28
Accrued salaries & taxes payable	28,789.79
Total current liabilities	<u>377,474.94</u>

Net assets

Unrestricted	145,049.54
Temporarily restricted	87,495.63
Total net assets	<u>232,545.17</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 610,020.11</u></u>
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The accompanying notes are an integral part of this financial statement

VAN'S KIDDIE CARE CORPORATION

Statement of Activities

For the Year Ended September 30, 2013

	Unrestricted	Temporarily Restricted	Totals
Support and Revenues			
Federal Financial Assistance through the Louisiana Department of Education:			
Administrative reimbursement	\$ -	\$ 591,347.00	\$ 591,347.00
Program reimbursement	-	4,043,600.30	4,043,600.30
Contributions:			
Fundraising	117,033.75	-	117,033.75
Other	410.00		410.00
Net assets released from restrictions:			-
Restrictions satisfied by payment	4,558,914.86	(4,558,914.86)	-
Total Support and Revenues	<u>4,676,358.61</u>	<u>76,032.44</u>	<u>4,752,391.05</u>
 Expenses			
Program Services			
Meals served - Providers	4,043,600.30	-	4,043,600.30
Supporting Services			-
Management and general	557,783.59	10,026.39	567,809.98
Fund-raising	<u>79,307.88</u>	<u>-</u>	<u>79,307.88</u>
 Total Expenses	<u>4,680,691.77</u>	<u>10,026.39</u>	<u>4,690,718.16</u>
 Change in Net Assets	 (4,333.16)	 66,006.05	 61,672.89
 Net Assets - Beginning of Year	 <u>149,382.70</u>	 <u>21,489.58</u>	 <u>170,872.28</u>
 Net Assets - End of Year	 <u>\$ 145,049.54</u>	 <u>\$ 87,495.63</u>	 <u>\$ 232,545.17</u>

The accompanying notes are an integral part of this financial statement

VAN'S KIDDIE CARE CORPORATION

Statement of Functional Expenses

For the Year Ended September 30, 2013

	Program Service Expense	Supporting Services Expense	Fundraising Expenses	Totals
EXPENSES				
Salaries and wages		\$ 344,220.30	\$ 8,850.00	\$ 353,070.30
Payroll taxes		26,336.50	722.26	27,058.76
Insurance		21,457.56		21,457.56
Travel costs		15,846.16		15,846.16
Staff training		2,428.62		2,428.62
Postage		6,628.42		6,628.42
Office supplies		53,998.67	-	53,998.67
Printing		2,512.41		2,512.41
Fundraising supplies		-	3,007.99	3,007.99
Provider training		2,263.29		2,263.29
Building rent		32,516.40	46,644.27	79,160.67
Telephone		13,715.37		13,715.37
Office equipment		1,763.46		1,763.46
Professional services		-	1,615.00	1,615.00
Bank charges		3,242.03		3,242.03
Taxes		-	7,350.00	7,350.00
Advertising		238.00		238.00
Accounting		6,900.00		6,900.00
Equipment lease		9,542.09		9,542.09
Audit fees		4,000.00		4,000.00
Liability insurance		3,326.67		3,326.67
Uniforms		2,398.83		2,398.83
Payroll services		2,227.94	1,104.72	3,332.66
Depreciation		10,026.39		10,026.39
Miscellaneous		2,220.87	75.00	2,295.87
Contributions			9,938.64	9,938.64
Provider assistance	\$ 4,043,600.30			4,043,600.30
Total Expenses	\$ 4,043,600.30	\$ 567,809.98	\$ 79,307.88	\$ 4,690,718.16

The accompanying notes are an integral part of this financial statement

VAN'S KIDDIE CARE CORPORATION

Statement of Cash Flows

For the Year Ended September 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 61,672.89
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Depreciation	10,026.39
(Increase) Decrease in Current Assets	
Accounts receivable	(81,086.33)
Increase (Decrease) in Current Liabilities	
Accounts payable - trade	951.15
Accounts payable - providers	72,478.33
Accrued salaries and taxes	4,467.33
Bank Overdraft	<u>12,396.25</u>
Net cash provided (used) by operating activities	<u>80,906.01</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of equipment	<u>(76,032.44)</u>
Net cash provided (used) by investing activities	<u>(76,032.44)</u>

Net increase in cash 4,873.57

CASH AT BEGINNING OF YEAR 138,658.93

CASH AT END OF YEAR \$ 143,532.50

Supplemental Disclosure:

Income taxes paid	<u><u>\$ 7,350.00</u></u>
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The accompanying notes are an integral part of this statement

Van's Kiddie Care Corporation
Notes to the Financial Statements
For the Year Ended September 30, 2013

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

Van's Kiddie Care Corporation is a nonprofit organization operating under the laws of the State of Louisiana and began operation on November 13, 1985. It was organized and operates exclusively for nonprofit.

Van's Kiddie Care Corporation operates a Family Day Care Home Program under the Child Care Food Program, Section 17 of the National School Lunch Act. Under the provisions of this program, individuals who care for a small number of children in their homes are reimbursed for the costs of meals served to the children. **Van's Kiddie Care Corporation** through its personnel monitors the composition of the meals to assure nutritional values, make routine inspections of the homes to assure safety of the children who stay there, and act as intermediary between the state and federal agencies who administer funds and the providers who care for the children. This Program is funded totally by federal funds received from the State of Louisiana Department of Education and is a source of 96% of the Organizations revenues. **Van's Kiddie Care Corporation** operations are funded by three sources of revenue as indicated:

Family Day Care Program (96.4%) – Operates a Family Day Care Home Program that provides meals to children in private centers. Funding is provided by federal funds passed through the Louisiana Department of Education.

General Services (.1%) – Provides payment of necessary agency expenses not specifically attributable to a grant/contract by the agency. Funding is provided by various fundraisers and donations by management.

Charitable Gaming (3.5%) – Participates in providing charitable games of chance in which proceeds are used for charitable purposes of the organization.

B. BASIS OF ACCOUNTING AND FINANCIAL PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

The Organization follows the guidance of Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No.

117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the organization is required to present a statement of cash flows.

Unrestricted – Support, revenues, and expenses for the general operation of **the Organization**.

Temporarily Restricted – Contributions specifically authorized by the grantor or donor to be used for a certain purpose or to benefit a specific period.

Permanently Restricted – Contributions subject to donor-imposed restrictions and that are to be held in perpetuity by **the Organization**. Generally, the donors of these assets permit **the Organization** to use all or part of the income derived from the investment of these contributions. There are no permanently restricted assets net assets as of September 30, 2013.

The Organization also follows the guidance of SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the donor imposed time or purpose restrictions.

C. UNRESTRICTED AND RESTRICTED SUPPORT AND REVENUES

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

D. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results may differ from those estimates.

E. REIMBURSEMENTS AND ACCOUNTS RECEIVABLE

Management deems all reimbursements and accounts receivable collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when the determination is made.

F. EQUIPMENT

The Organization's policy is to capitalize equipment over \$300. Lesser amounts are expensed. Purchased equipment is capitalized at cost or, if donated at their estimated fair value at the date of donation. The federal government has a reversionary interest in property purchased with federal funds; its disposition as well as ownership of any proceeds there from is subject to federal regulations. The use of assets purchased with restricted funds is limited to the purposes intended by the funding agency.

Depreciation is provided utilizing the straight-line method over estimated useful lives of the asset. Estimated lives of the assets are as follows:

Office furniture and equipment	5 - 10 years
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G. FUNCTIONAL EXPENSES

Expenses were allocated in the accompanying financial statements to program, supporting services and fundraising functional expense groups. Accordingly, certain costs have been allocated among programs, supporting services, fundraising services based on actual use or management's best estimate.

H. FUND ACCOUNTING

To ensure observance of limitations and restrictions based on the use of resources available to the Family Day Care Home (FDCHP) Program, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with the nature and purpose of such funds. Separate accounts are maintained for each fund. Accordingly, all financial transactions have been reported by fund group.

The assets, liabilities, and net assets of the Family Day Care Home (FDCHP) are reported in a self-balancing current restricted fund that includes all resources available for support of the Family Day Care Home (FDCHP) program.

I. INCOME TAXES

Van's Kiddie Care Corporation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and comparable Louisiana law. However, income from certain activities not directly related to **Van's Kiddie Care's** tax-exempt purpose would

be subject to taxation as unrelated business income. The financial statements for the year ended September 30, 2013 included current income tax expenses of \$7,350.00.

J. STATEMENT OF CASH FLOWS

For purposes of the Statement of Cash Flows, **the Organization** considers all highly liquid debt investments purchased with a maturity of three months or less to be cash equivalents.

NOTE 2 - CASH

At September 30, 2013, **the Organization** has cash (book balance) totaling \$143,532.50, which is in noninterest-bearing demand accounts. The deposits are stated at costs, which approximate market and are fully secured by federal deposit insurance.

NOTE 3 - REIMBURSEMENTS RECEIVABLE

Accounts receivable represents reimbursements due from the Louisiana Department of Education for meals served during the month of September 30, 2013.

Provider Reimbursement Receivable	\$326,979.28
Administrative Reimbursement Receivable	51,960.00
Total Reimbursements Receivable	<u>\$378,939.28</u>

NOTE 4 - EQUIPMENT

At September 30, 2013, the costs of office furniture and equipment were as follows:

	Purchased With Federal Funds			
	Balance October 1, 2012	Additions	Deletions	Balance September 30, 2013
Assets, being depreciated				
Office furniture and equipment	\$95,084.44	76,032.44		\$171,116.88
Total assets, being depreciated	<u>95,084.44</u>	<u>76,032.44</u>	<u>-</u>	<u>171,116.88</u>
Less accumulated depreciation for:				
Office furniture and equipment	74,494.86	10,026.39	-	84,521.25
Total accumulated depreciation	<u>74,494.86</u>	<u>10,026.39</u>	<u>-</u>	<u>84,521.25</u>
Total assets, being depreciated, net	<u>\$ 20,589.58</u>	<u>\$66,006.05</u>	<u>\$ -</u>	<u>\$86,595.63</u>

Depreciation expense totaled \$10,026.39 for the year ended September 30, 2013.

NOTE 5 - CONCENTRATION OF REVENUES

The Organization receives a large amount of its revenue from one major source, the Louisiana Department of Education. Revenue of the program is based on the number of meals served by providers to children at the approved meal rate. Meal rates are determined on July 1 of each year by the Louisiana Department of Education. Meals served and approved meal rates are reported in the *Schedule of Meals Served and Program Reimbursements*. The revenue from this source represents approximately 96% of **the Organization's** total revenues during the year ended September 30, 2013.

NOTE 6 – BANK OVERDRAFTS

Bank overdrafts represent outstanding checks written in excess of funds on deposit in a particular bank account and are shown in liabilities as bank overdrafts.

NOTE 7 - DUE TO PROVIDERS

Due to providers represents amounts owed to providers for the cost of meals served during the month of September 2013.

NOTE 8 - BOARD OF DIRECTORS

The management of **Van's Kiddie Care Corporation** is vested in a Board of Directors which consists of five members who serve without compensation.

NOTE 9 - SUBSEQUENT EVENTS

Management is required to evaluate events or transactions that may occur after the statement of financial position date for potential recognition or disclosure in the financial statements. Management performed such an evaluation through May 28, 2014, the date that the financial statements were available to issue, and noted no subsequent events or transactions that occurred after the statement of financial position date requiring recognition or disclosure.

**INDEPENDENT AUDITOR'S REPORTS AND
INFORMATION REQUIRED BY THE SINGLE
AUDIT ACT AND
GOVERNMENT AUDITING STANDARDS**

**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on An Audit of Financial Statements Performed In
Accordance
With Government Auditing Standards**

Board of Directors
Van's Kiddie Care Corporation.
New Iberia, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of United States the financial statements of **Van's Kiddie Care Corporation (the Organization)** which comprise the statement of financial position as of September 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated March 28, 2014.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered **the Organization's** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **the Organization's** internal control. Accordingly, I do not express an opinion on the effectiveness of **the Organization's** internal control.

A deficiency in internal controls exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention of those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **the Organization's** financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose; however, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Legislative Auditor as a public document.



Roslyn J. Johnson, LLC
Baton Rouge, Louisiana
March 28, 2014

**Independent Auditor's Report on Compliance With Compliance With Requirements That
Could Have A Direct and Material Effect On Each Major Program And On
Internal Control Over Compliance In Accordance With OMB Circular A-133**

Board of Directors
Van's Kiddie Care Corporation
New Iberia, Louisiana

Report on Compliance for Each Major Federal Program

I have audited the compliance of **Van's Kiddie Care Corporation (the Organization)** with the types of compliance requirements described in the U. S. Office of Management and Budget OMB Circular A-133 Compliance Supplement that could have a direct material effect on each major federal program for the year ended September 30, 2013. **The Organization's** major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for **the Organizations'** major federal program based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **the Organization's** compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of **the Organization's** compliance.

Opinion on Each Major Federal Program

In my opinion, **Van's Kiddie Care Corporation** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2013.

Report on Internal Control Over Compliance

Management of **the Organization** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered **the Organization's** internal control over compliance with the types of compliance requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control for the purpose of expressing my opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of **the Organization's** internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. This information is intended for the information and use of management, the Legislative Auditor for the State of Louisiana, state and federal awarding

agencies and is not intended to be and should not be used by anyone other than those specific parties. Accordingly, this report is not suitable for any other purpose; however, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Legislative Auditor as a public document.

Roslyn J. Johnson, LLC

Roslyn J. Johnson. LLC
Baton Rouge, Louisiana
March 28, 2014

VAN'S KIDDIE CARE CORPORATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended September 30, 2013

Federal Grantor/ Pass-Through Grantor/ Program Name	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures September 30, 2013
U. S. Department of Agriculture: Pass-through program from: Louisiana Department of Education - Child and Adult Care Food Program (FDCHP)	10.558	N/A	<u>\$ 4,634,947.30</u>

Notes to Schedule of Expenditures of Federal Awards:

Note 1 - Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying schedule of expenditures of federal award include the federal grant activity of Van's Kiddie Care, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

B. Accrued Reimbursement

Federal awards are on a cost reimbursement basis.

The accompanying notes are an integral part of this schedule

VAN'S KIDDIE CARE CORPORATION
Schedule of Findings and Questioned Costs
Year Ended September 30, 2013

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statement Audit

Type of auditor's report issued:	Unqualified		
Material weakness (es) identified?	<u> </u> Yes	<u> X </u> No	
Significant deficiency identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> No	
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No	

Audit of Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No	
Significant deficiency identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> No	

Type of auditor's report issued on compliance for major programs:	Unqualified
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Any audit findings disclosed that are required to be reported in accordance with section 510(a) of circular A-133?	<u> </u> Yes	<u> X </u> No	
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Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

10:558

Child and Adult Care Food Program (FDCHP)

The threshold for distinguishing types A & B programs was program expenditures exceeding \$300,000

Auditee qualified as a low-risk auditee?	<u> X </u> Yes	<u> </u> No
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VAN'S KIDDIE CARE CORPORATION
Schedule of Findings and Questioned Costs
Year Ended September 30, 2013

SECTION II - FINANCIAL STATEMENT AUDIT

No findings or questioned costs for the year ended September 30, 2013.

SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL

No findings or questioned costs for the year ended September 30, 2013.

VAN'S KIDDIE CARE CORPORATION
Schedule of Prior Findings and Questioned Costs
Year Ended September 30, 2013

No findings or questioned costs for the year ended September 30, 2012.

SUPPLEMENTARY INFORMATION SCHEDULES

VAN'S KIDDIE CARE CORPORATION**Schedule 1****Audited Statement of Claims
Year Ended September 30, 2013****REIMBURSEMENTS RECEIVED**

Administrative	\$ 591,347.00
Program	<u>4,043,600.30</u>
Total	<u><u>\$ 4,634,947.30</u></u>

REIMBURSEMENTS ALLOWABLE

Administrative	\$ 591,347.00
Program	<u>4,043,600.30</u>
Total	<u><u>\$ 4,634,947.30</u></u>

OVER (UNDER) CLAIM

Administrative	\$ -
Program	<u>-</u>

TOTAL OVER (UNDER) CLAIMED

<u><u>\$ -</u></u>

VAN'S KIDDIE CARE CORPORATION**Schedule 2****Schedule of Administrative Reimbursement Allowable
Year Ended September 30, 2012**

A. Actual Administrative Expenses				<u>\$ 465,151.00</u>
B. Administrative Reimbursement (Home x Rates)				<u>\$ 465,151.00</u>
C. Approved Administrative Budget				<u>\$ 511,320.00</u>
D. Thirty percent (30%) total reimbursement				
Program Reimbursement	\$ 3,097,432.62			
Administrative reimbursement	<u>465,151.00</u>			
		\$3,562,583.62		
		<u>x.30</u>		
			\$ 1,068,775.09	
E. Administrative Reimbursement Allowed (Homes X Rates)				<u>\$ 465,151.00</u>
F. Administrative Reimbursement Received				<u>\$ 465,151.00</u>

VAN'S KIDDIE CARE CORPORATION

Schedule 3

**Schedule of Monetary Claims and Questioned Costs
Year Ended September 30, 2013**

ADMINISTRATIVE REIMBURSEMENT

Administrative overclaim	\$ -
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PROGRAM REIMBURSEMENT

Meal counts and attendance	-
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Total Overclaim	<u>\$ -</u>
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VAN'S KIDDIE CARE CORPORATION

Schedule 4

Schedule of Meals Served and Program Reimbursement
Year Ended September 30, 2013

OCTOBER 1, 2012 TO JUNE 30, 2013	BREAKFAST	LUNCH	SUPPLEMENT	SUPPER	TOTAL
Number of meals claimed	275,682	262,924	635,912	625,964	1,800,482
Less: Meals adjustments refund by sponsor					
Net meals allowed	275,682	262,924	635,912	625,964	1,800,482
Reimbursement rate	1.2700	2.3800	0.7100	2.3800	
Reimbursement based on rate	\$ 350,116.14	\$ 625,759.12	\$ 451,497.52	\$ 1,489,794.32	\$ 2,917,167.10

JULY 1, 2013 TO SEPTEMBER 30, 2013

	BREAKFAST	LUNCH	SUPPLEMENT	SUPPER	TOTAL
Number of meals claimed	79,214	127,768	234,408	229,986	671,376
Less: Meals refunded by sponsor					
Net meals allowed	79,214	127,768	234,408	229,986	671,376
Reimbursement rate	1.2800	2.4000	0.7100	2.4000	
Reimbursement based on rate	\$ 101,393.92	\$ 306,643.20	\$ 166,429.68	\$ 551,966.40	\$ 1,126,433.20

TOTAL MEALS CLAIMED

TOTAL NET MEALS ALLOWED

	354,896	390,692	870,320	855,950	2,471,858
	354,896	390,692	870,320	855,950	2,471,858

PROGRAM REIMBURSEMENT CLAIMED

PROGRAM REIMBURSEMENT ALLOWED

\$ 451,510.06	\$ 932,402.32	\$ 617,927.20	\$ 2,041,760.72	\$ 4,043,600.30
\$ 451,510.06	\$ 932,402.32	\$ 617,927.20	\$ 2,041,760.72	\$ 4,043,600.30

MEALS OVERCLAIMED AND REFUNDED TO STATE

\$	-				
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